GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:3896
ANSWERED ON:17.05.2006
RECOMMENDATIONS OF SHANKAR COMMITTEE
Nayak Shri Ananta

Will the Minister of COAL be pleased to state:

(a) the details of targets of major products of the Neyveli Lignite Corporation fixed and achieved during 2004-05 and 2005-06;

(b) whether an Expert Committee under the Chairmanship of Mr. Shankar has submitted any report;

(c) if so, the details of the recommendations made by the said Committee and the action taken thereon; and

(d) the extent to which the technology has been upgraded and the production improved as a result of the implementation of recommendations ?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYANA RAO)

(a) The targets of major products ofNeyveli Lignite Corporation and actual achieved during 2004-05 and 2005-06 are given below:

Product	2005-06		2004-05	
	Taret	Actual	Taret	Actual
Lignite million tonnes	20.400	20.435	21.000	21.567
Power Generation Gross (Million Units)	15705.000	16246.60	15286.000	16746.380

(b) The Expert Committee under the Chairmanship of Mr. T.L. Shankar has submitted Part-I of the report covering

i) Assessment of demand-supply gap and meeting it in the short term (upto 2006-07) and also the medium term (upto 2011-12).
ii) Captive mining : examination of current policy and recommendations. Examining the merits of opening up trading in coal including the examination of the current e-auction procedures.

The Part-II of the report dealing with rest of the issues is yet to be submitted to the Government.

(c)&(d) The recommendations made by the Committee are, inter alia, as follows:

i) As Coal shall remain India`s primary source of commercial energy supply, a time-bound plan to cover the entire country by regional mapping in 15 years should be prepared by Geological Survey of India, Coal Mine Planning and Design Institute and Ministry of Coal, Government of India.

ii) CIL may be granted the status of Navratna company and the subsidiaries of CIL may be granted the status of Mini Ratna companies in which case only those proposals of such a subsidiary would need government approval wherein the capital expenditure exceeds Rs.500 crore.

iii) The environmental issue in respect of projects should be taken up on priority consideration by the Government.

iv) Planned imports of coal needs to be encouraged.
v) Increasing proportion of all domestic coal that is not earmarked for Power Sector be brought into the E-auction market over the next 2 to 3 years.

vi) The current system of linkages feeding the power sector may be replaced with formal long term Fuel Supply and Transport Agreements that include the Railways.

vii) The procedures and processes need to be streamlined to expedite the allotment of the captive coal blocks in a transparent and effective manner. .

viii) All possible legal measures should be evolved to cancel the licenses issues earlier if the allottee has not taken adequate steps to bring the allotted mines to production or in setting up the end use units.

ix) Coal price would need to be regulated in light of the market realities. The regulation of coal price has to be differentiate the pricing of coal for power generation since it consumes 80% of the domestic production and the quality of coal it consumes is not easily saleable to the steel and cement sectors.

x) The Railway tariff for coal should be subject to a detailed review by an independent agency, preferably headed by a High/Supreme Court Judge.

xi) The Railways should in consultation with Planning Commission and the Ministries of Coal and Power determine the main corridors through which coal would move in very large quantities to power plants and examine the cost and feasibility of setting up dedicated trunk-routes for coal transport.

The recommendations of the Committee are being examined by the Government.